

APPENDIX C

CONDITIONS OF APPROVAL FOR CONVENTIONAL APPLICATION FOR PERMIT TO DRILL

Valerie POD, supported by Environmental Assessment (EA), WY-070-EA12-68

Valerie POD

Operator: Devon Energy Production Company, L.P.

Field Office: Buffalo Field Office
Address: 1425 Fort Street
Buffalo, Wyoming 82834

Office Telephone Number: 307-684-1100

The spud date will be reported electronically, (see website location above) to the Authorized Officer **24 HOURS BEFORE SPUDDING**, unless otherwise required in site specific conditions of approval.

Spud Notice Site:
http://www.wy.blm.gov/minerals/og/og_notices/spud_notice.php

List of Wells:

	Well Name	Well #	Qtr/Qtr	Sec.	TWP	RNG	Lease #	Status
1	Valerie Rocky Butte	2843-1HP	SESE	21	44N	73W	WYW134882	APD
2	Valerie Rocky Butte	2243-2HP	SESE	21	44N	73W	WYW0241798	APD
3	Valerie Rocky Butte	2743-1HP	NWSW	27	44N	73W	WYW0241794	APD
4	Valerie Rocky Butte	2843-2HP	NWSW	27	44N	73W	WYW120439	APD
5	Valerie Rocky Butte	2743-2HP	SESE	28	44N	73W	WYW0316906	APD
6	Valerie Rocky Butte	2943-1HP	SWNW	29	44N	73W	WYW120439	APD

DRILLING AND PRODUCTION OPERATIONS

1. Verbal notification shall be given to the Authorized Officer at least 24 hours before formation tests, BOP tests, running and cementing casing, and drilling over lease expiration dates.
2. New hard-band drill pipe shall not be rotated inside any casing. Hard-band drill pipe shall be considered new until it has been run at least once.

3. All Blow Out Prevention Equipment tests shall include a 5 minute low pressure test between 250 psi and 500 psi with no drop in pressure with the only exception being the chokes. The chokes are only required to have the high pressure test held for a minimum length of time necessary to verify their functional integrity.
4. All operations must be conducted in accordance with all applicable laws and regulations: with the lease terms, Onshore Oil and Gas Orders, NTL's; and with other orders and instructions of the Authorized Officer, unless a variance has been granted in writing by the Authorized Officer.
5. The Operator shall install an identification sign consistent with the requirements of 43 CFR 3162.6 immediately upon or before the completion of the well pad construction operations.
6. All Blow Out Prevention Equipment rated 5M or greater shall be isolated from the casing and tested to stack working pressure. All Blow Out Prevention Equipment tests shall be performed by a suitable test pump, not the rig-mud pumps and recorded on a chart. The chart shall be submitted to the Buffalo Field Office.
7. Low test on Blow Out Prevention Equipment shall be performed and passed before moving onto the high test for each component.
8. If there are indications of inadequate primary cementing of the surface, intermediate, or production casing strings; such as but not limited to no returns to surface, cement channeling, fallback or mechanical failure of equipment, the operator will evaluate the adequacy of the cementing operations. This evaluation will consist of running a cement bond log (CBL) or an alternate method approved by the Authorized Officer (AO) no sooner than 12 hours and no later than 24 hours from the time the cement was first pumped.
9. If the evaluation indicates inadequate cementing, the operator shall contact a BLM Buffalo Field Office Petroleum Engineer for approval of remedial cementing work.
10. The adequacy of the remedial cementing operations shall be verified by a cement bond log (CBL) or an alternate method approved by the Authorized Officer (AO). All remedial work shall be completed and verified prior to drilling out the casing shoe or perforating the casing for purposes other than remedial cementing.
11. The cement mix water used must be of the same water quality used to develop the cement program.
12. All oil and gas operations shall be conducted in a manner to prevent the pollution of all freshwater resources. All fresh waters and waters of present or probable future value for domestic, municipal, commercial, stock or agricultural purposes will be confined to their respective strata and shall be adequately protected. Special precautions will be taken to guard against any loss of artesian water from the strata in which it occurs and the contamination of fresh water by objectionable water, oil, condensate, gas or other deleterious substance to such fresh water.
13. Any changes to the approved drilling plan and/or these conditions of approval shall be approved by the BLM-Buffalo Field Office Petroleum Engineer prior to being implemented.

After hour's numbers:

Petroleum Engineer: Matthew Warren

Cell Telephone: 307-620-0103